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8FSC - budget process work
Following Prop 13. Rich Hayes involved.

See 2 pp. policy recommendations
at end.

October 12, 1978

To: Drummond Pike, Shalan Foundation
From: Marjorie Fishman, Melinda Marble,
San Francisco Study Center
Re: Progress to date on post-Proposition 13 research

The Changing Budget Process

The rush is on. Just in the last few weeks, executive and legislative promises, recommendations, instructions and ordinances relating to the budget have come spilling out of City Hall. Elected and appointed officials are getting ready for '79-'80, trying to provide, as Mayor Moscone said in a September 22 announcement, "the maximum public service possible within the limits of our financial capability, despite Proposition 13." On the way are policy changes that will affect how departments prepare their budgets, how those budgets are assessed by the mayor and the board of supervisors, and how the public gets information about city spending.

Internal Pressures: The Mayor

September 19: All department heads received the mayor's budget instructions for 1979-80 that had been prepared by his program manager, Ray Sullivan. On August 24 staff on this project met with Sullivan to try to get an early peek at these instructions. He was cordial and spoke at length about the problem involved with establishing budget limits when future revenues were unknown and in deciding program priorities according to the public's needs and desires. We didn't get the peek, but we did get a copy of the instructions a few days after they went out to the departments.

"No longer will we be able to review your budget requests to determine a level that reflects the service anticipated by our citizens and then establish a tax rate to provide for it," read the instructions. "We are now constrained

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by a tax whose rate is already known and we must fashion a budget within that limit which provides as much service to the community as possible."

This means that Proposition 13 has fixed the assessment at 1% of market value and no more, and that all city services must be delivered within the money limits set. And because there are no assurances the city or other local governments will be bailed out next year as they have from the current \$5 billion surplus, department heads are being asked to submit a base budget that is 83% of their current budget, plus three incremental budgets. The first adds on 5%, the second 4%, the third 3%. "Our moderately conservative assumption is that we will continue to benefit from the welfare buy-out but that NO (sic) general state revenue sharing will be coming to us for 79/80."

This "completely new format," the instructions continue chillingly, "will require you to rank your department's services from the most important to the least important even though we recognize that the least important may be a very desirable service. Since we do not expect to be able to fund every service which we now provide, we want to be able to learn from your ranking which functions you would sacrifice in order to maintain your department at its most useful level." This will mean that a department will have to prioritize its services in a way never done before. What will go and what will stay is definitely being decided more now at the department level.

Sullivan's office planned to hold "briefings" with department heads through October 6 to talk about any "unique requirements and unusual problems." We intend to interview some key department heads to get their reactions to the instructions and feedback from the briefings. "Every department must participate in the briefings," noted the instructions.

External Pressures

Should department heads be making even the preliminary decisions about which programs to "sacrifice"?

In August, we began attending meetings of Save our Services. This coalition of groups had decided to center its efforts



on opening up the city's budget process to allow interested community groups early access to departmental budgets and, through public hearings, a voice in proposed cuts, additions or continuance of programs. We provided SOS with a "Time-Line Action Plan" and some policy recommendations (attached) at their August 15 meeting. At that time they decided that staff from the Study Center would be the appropriate people to meet with Sullivan.

When we met with Sullivan, we discussed the ideas of early public hearings. He noted that hearings on budget issues, unless there was a well-publicized crisis, were always poorly attended in the past. "A few of us in a drafty hall, waiting for the people to show up," was how he described many of the hearings. He did not comment on the value of increased public input.

In a phone interview with Sullivan after the instructions were out, we were told that the instructions contained nothing about possible public hearings because "it wasn't the place to do it." But SOS had already decided to go right to the top.

The Mayor's Promise

On August 30, a letter (attached) went out to the mayor from SOS proposing a meeting with him to discuss procedures and policies regarding the budget process. In a follow-up call, SOS was put in touch with program manager Bill Cook who hemmed and hawed. The group went directly to the mayor, who agreed immediately to the meeting. We met with the SOS planning committee called to plan strategies for the October 2 meeting with the Mayor. At that meeting the mayor pledged to help citizens and community groups get information on departments' budget plans, committed himself to assigning staff to work with groups and was generally receptive to the idea of publicizing budget data. While there seemed to be some conflict between Cook and Rudy Nothenberg about a time line for getting the budget in a form that could be publicized, it was agreed that Cook would meet with SOS representatives on October 16 to review the process of citizen involvement from an educational point of view. No truly solid commitments about public hearings came out of this first meeting, but Rich Hayes of SOS felt a liaison had been established.



The Need for Public Involvement: A Case Study

"We're misinformed because we don't know where the money goes, and no one seems able to answer our questions," lamented Irene Oppenheim of LAPS (Lappers Against Pool Shutdowns) to Recreation and Park Commissioners at a September 27 public hearing. Called only to consider increasing pool fees, the hearing, by public demand, quickly focused on the subject of depleted Rec and Park funds and the threat of a two-thirds cutback in all recreation programs.

Oppenheim's plaint--which followed her question about why \$200,000 in Rec and Park funds had gone to the St. Francis Yacht Club and Commissioner Friend's snappish reply that the Yacht Club wasn't even part of their budget--drew whistles, cheers and applause from the hundreds of pool program supporters in the audience. They heard what she was saying: that information about department spending just trickles down to the public in the best of times; that it eludes the understanding of even persistent researchers when a problem seems imminent; that it gets wide publicity only under emergency conditions. Even then, straight answers seem hard to come by.

The Rec and Park budget problem, and its effect on public services, is just one of many that are surfacing now, four months after the passage of Proposition 13. The department's budget was reduced from \$18.3 million to \$13.7 million. In late June, the mayor recommended that the department run recreation programs at full tilt throughout the summer to mitigate the effects of closed summer schools. By September, Rec and Park had spent almost all of its part-time recreation workers' budget and found itself more than \$700,000 short for the remaining nine months of fiscal '78-'79.

Clearly, increasing pool fees, by itself, would not keep the pools open. The commission recommended that children's fees (under 18) go from the current 10¢ to 25¢ at all times, adult's fees from 50¢ to 75¢ at all times. The increases would yield \$125,000 only if the pools remained on a full schedule. There was little opposition to the idea of fee raises in the testimony at this public hearing, although LAPS did recommend that fees for children, seniors, and the disabled be kept at present.



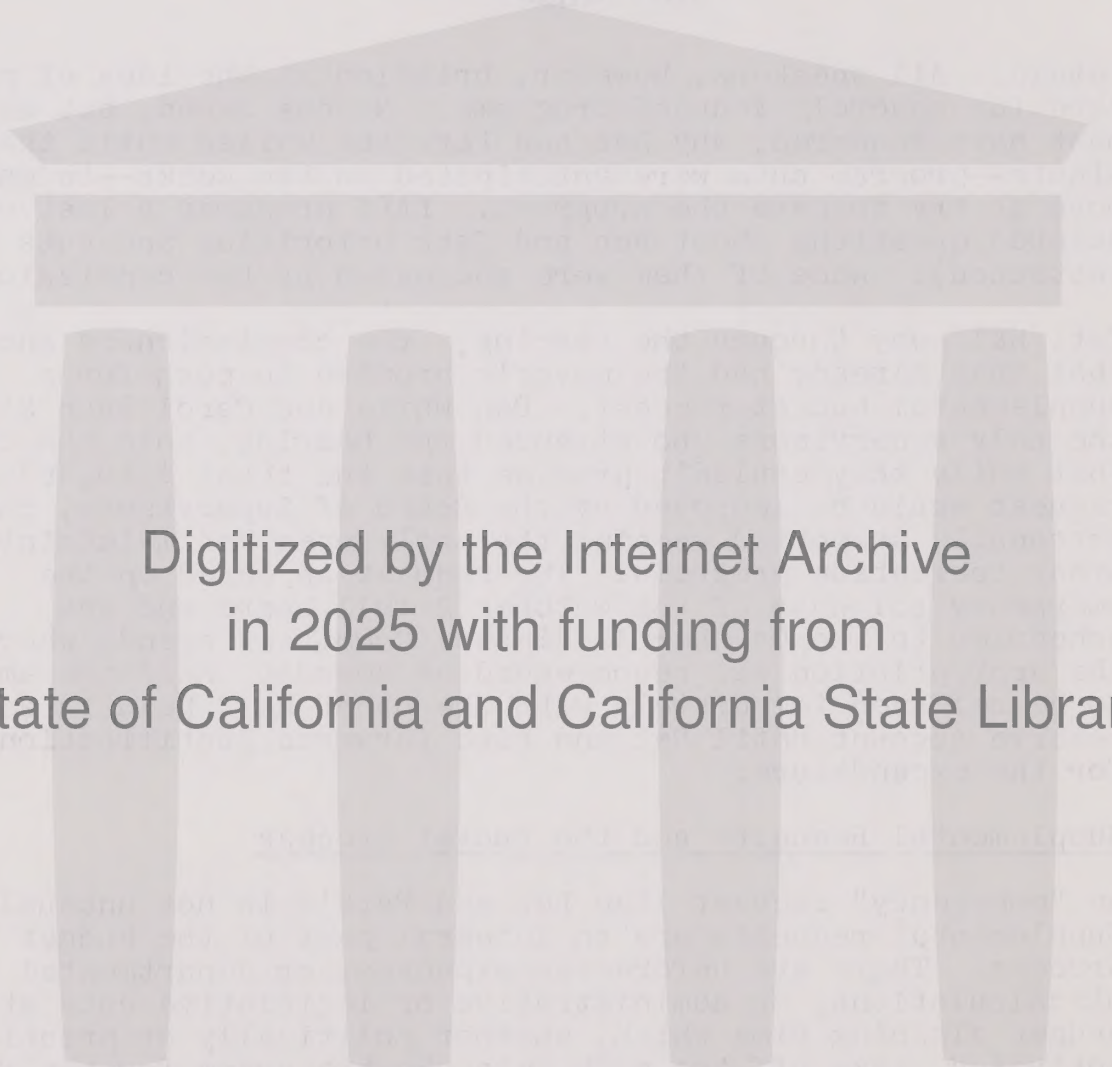

levels. All speakers, however, bristled at the idea of paying more for severely reduced programs. No one asked, but many must have wondered, why Rec and Park has waited until the last minute--program cuts were anticipated in two weeks--to make a move to try to save the programs. LAPS prepared a list of pointed questions about Rec and Park priorities and cuts (attached). None of them were addressed by the commission.

Yet, half-way through the hearing, the commissioners announced that they already had the mayor's promise to push for a supplemental budget request. Dan White and Carol Ruth Silver, the only supervisors who attended the hearing, told the crowd that while they couldn't promise that the total \$710,464 request would be approved by the Board of Supervisors, they personally supported keeping the pools open and maintaining other recreation programs. The request appeared on the emergency calendar of the October 2 full board and was scheduled to the October 11 Finance Committee agenda where the appropriation was recommended as amended: half the amount to be released immediately with the other half held in a reserve account until Rec and Park forwards justification for the expenditure.

Supplemental Requests and the Budget Process

An "emergency" request like Rec and Park's is not unusual. Supplemental requests are an integral part of the budget process. There are unforeseen expenses, or departmental miscalculations, or administrative or legislative cuts at budget slashing time which, whether politically or practically motivated, take off too much, mistake the cream for the fat. More insidious, perhaps, are the "rhetorical cuts". As described in the Study Center's Understanding San Francisco's Budget, these are cuts made with full knowledge that a department will have to come back with a supplemental request later in the fiscal year. They make the cutter look frugal and responsible when he/she cuts and generous and responsive when the request is approved.

The police budget is a good example of how this works. A year and a half ago, even as the budget ax seemed to be falling on the police salaries, several million dollars were pumped into it later in the year through a variety of sources.



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While the supplemental has not been used in this way very often in recent years, Proposition 13 may bring it back with a vengeance. In the past week, the supervisors, besides approving Rec and Park's request:

- Approved another "State of Emergency" for San Francisco by suspending Charter provisions to give the city's registered nurses an additional 14 holidays. Paid out either in cash or straight vacation time, the benefits approximate an 8% pay increase and will cost the city \$1.35 million. Shouts of "unfair" from other city employees are sure to follow. This Emergency Proclamation, like the one that followed the passage of Proposition 13, will be in effect until June 30, 1979.
- Approved for second reading on October 10, the same day as the mayor's Emergency Proclamation, an appropriation of \$838,175 for the Publicity and Advertising Fund recommended by the mayor. The appropriation brings up the Fund's post-Proposition 13 48% funding to 85%.
- Continued to October 25 another mayoral recommendation that Rec and Park's Open Space Fund be infused with \$2.9 million. Open Space was cut to zero in the post-Proposition 13 budget. Supervisor Kopp, a long-time, avowed foe of Open Space, believes that it takes valuable property off the tax rolls. His opposition may prevent approval of the appropriation unless a massive public campaign is launched.

Where has all this money come from? Bill Cook explained: "The state bail-out gave us back almost as much as we lost in property taxes. Since we cut the pre-Proposition 13 budget by about 5% when we really didn't need to, we're spending it now. That's our philosophy in the mayor's office. It's not necessarily the philosophy of the supervisors." Moscone's generosity may not carry over into the next year, but he has other plans to keep people happy in what he expects to be a very tight fiscal year.

The Mayor's Committee of 13

"We are reorganizing the City's budgetary procedures, with help from private enterprise," the mayor announced proudly on September 22. After his staff identifies study areas and the steering committee reviews requests for help and sets



priorities, this 13 member "Committee for San Francisco" made up of corporate, labor and community representatives will swing into action. "The committee will have the responsibility for setting goals and time tables, designing and evaluating questionnaires"--Moscone, careful not to slight departments, plans to survey all of them and ask how the committee can help them--"determining work programs, monitoring the work effort, and evaluating results."

We were told by Sullivan back in August that the mayor's hand-picked committee was to have had 15 members. Perhaps he had trouble recruiting. Perhaps the others were scared off by the somewhat fuzzy powers of the committee. Or perhaps it was a matter of too much responsibility. In Moscone's State of the City address before the board of supervisors on October 10, he explained: "I want the people of San Francisco to know that this committee of 13 is not destined to be yet another blue ribbon effort, whose recommendations gather dust on an office shelf. I told Mr. Hoadley (Walter Hoadley, Executive Vice President of the Bank of America, chairman of the committee) that we mean business--that we want to work with the members of this group to improve the delivery of city services. And he told me just as frankly that this was the only condition under which he would accept such a demanding responsibility."

The results of this committee's work, although a year away, will probably be made public. By then, however, other efforts at forcing fiscal responsibility onto department heads may supercede Moscone's plan to have his committee "identify and suggest ways to eliminate waste and inefficiency."

Pressures from the Supervisors

On October 4, Supervisors Harvey Milk and Carol Ruth Silver introduced an ordinance (attached) which, if adopted, would make department heads, boards, commissions and all other city agencies justify their budgets and even their continued existence to the legislators and, more important, to the public. The ordinance's "Declaration of Policy" states:

The City and County of San Francisco finds that activity at all levels of government has produced a proliferation of programs, agencies, ordinances, rules and regulations,



and, as a result, public expenditures without any provision for legislative oversight. The City and County further finds that there is a need to establish a system for detailed departmental budget justification and for the continuation or reestablishment of all governmental activities and of boards, commissions, departments or other agencies which conduct, enforce or otherwise are concerned with such activities.

The ordinance provides that each "unit of operation now deemed a separate function for budgetary purposes" must submit for the supervisors' annual budget review a justification and summary sheet for the 83%, 88%, 92%, and 95% budgets (per the mayor's instructions). For each budget level, they must answer these questions:

- With this budget, would it make more sense to close down the activity entirely?
- With this budget, which functions or services would be decreased from last year's activities and by how much?
- What alternative methods might achieve the same objectives of those functions and services if they were eliminated?

The supervisors would then hold public hearings to consider whether any further reductions could be made.

The ordinance also provides for six-year termination dates for non-charter activities and other ordinances (except ordinances that do not involve expenditures--they get 20 years). Charter activities have a six-year review date, and at that time, the supervisors decide whether or not to put on the ballot a policy question about, or some amendment to, the charter activity. Non-charter review is done through a public hearing, where the director of the activity must demonstrate "public need for its continued existence." The ordinance spells out the factors that the supervisors would use to decide if the director had succeeded: compliance with affirmative action requirements, economy and availability of services, encouragement of public participation in making rules and adopting procedures, and efficiency in filing and processing public complaints.

Action on this Silver-Milk ordinance has been delayed for a while, not because it lacks support but because the clerk's office failed to notify department heads that it was scheduled



to the October 4 Finance Meeting. Not one of them was there. "Where are the department heads?" demanded Supervisor Kopp. "I want to hear what they have to say about this." He seemed miffed that the only person to speak against the ordinance was his fellow-supervisor, Dolson, who felt that separation of powers was the issue. "We would be setting policy for the executive branch," Dolson commented.

But support for the ordinance was there:

Nothenberg: "We agree with the intent of the legislation."

Controller John Farrell: "I think we'll be surprised at the savings."

Supervisor Hutch: "It should make department heads more conscientious about annual budgets."

Supervisor Silver: "It provides a continual cleansing process."

Harvey Rose: "It's good because it forces you to really look at existing budgets."

Consideration of the ordinance was continued to the October 25 Finance Meeting. If the legislation passes, it will probably be heavily amended first, so its impact is impossible to assess right now. Its insistence on public accountability, however, is encouraging. In the meantime, another important piece of legislation relating to the budget is before the supervisors.

The Bureau of the Budget

San Francisco's supervisors currently get almost all of their budget information from their Bureau of the Budget, headed by director Harvey Rose. Under consideration at the October 10 Rules Committee was a proposal to convert this city bureau to a private enterprise. It would take on outside contractual business while continuing to provide necessary and/or requested information and analyses to the supervisors, also on a contractual basis.

Rose told the committee that the city would get the same work done for \$100,000 less than it's now paying--the bureau's current budget is \$513,000--because the city would no longer have to pay fringe benefits. Twelve of the fourteen staff of the bureau completely support the plan to go private and are willing to lose city fringe benefits in the changeover, Rose also noted. In answer to Supervisor Pelosi's questions about how the organization could continue to meet the needs of the supervisors while taking on outside work, Rose explained that the business could increase or decrease its staff according to the workload, just like any private firm.



There is some urgency in the proposed change. Rose says all his staff have been offered higher paying positions with increased status in other government agencies. "Yes, they would probably leave if this change isn't accomplished," Rose assured Supervisor Gonzales. Controller Farrell testified that Rose's is a select group: "There's no dog meat in the whole list." The Rules Committee finally approved the proposal but did not take action on the contract between the city and "contractor" Rose. Consideration of the proposal goes to the full board on October 16.

What would this change mean to the public? In the past, the media as well as the supervisors have depended on the bureau's weekly "memos"--analyses and recommendations to the Finance Committee--and on its more detailed studies to get financial background information. Would the private firm be required to make its findings available to the public, or would reporters, for example, have to dig out the information from each department? There's also been a question of the accuracy and completeness of the bureau's memos and studies. Supervisor Kopp regularly sends Rose's staff away from Finance meetings with stern commands to complete or check details. And Vince Courtney of Local 400, whose organization is trying to get a state grant to compile results of its "Waste Committees", told this researcher: "Rose reports on waste and makes suggestions, but only in areas where he wants to." Removing the bureau from the political arena may or may not affect that kind of selectivity.

The Study Center and the Budget Process

The changes and proposed changes in San Francisco's budget process are accelerating, making research on this project both difficult and challenging. Monitoring events at City Hall has become a daily requirement. Beyond this, we are working with groups and individuals, providing them with assistance according to their particular needs.

Budget Seminars

One of Save Our Services' concerns in opening the budget process is how to educate people in "reading" and interpreting budget data. The staff help promised by Mayor Moscone may not be sufficient. SOS suggested that the Study Center, since it has already become



something of a clearinghouse for information on post-Proposition 13 effects, might run short budget seminars for representatives of interest groups. The idea is being explored, and plans have been made to meet and develop the idea after the October 16 meeting. It would become especially feasible if the mayor's office agrees to furnish the Center copies of all departments' 83% and incremental budgets as soon as they are received.

Computerized Budget Study

The staff on this project has also been meeting with Marc Lumer to discuss a special computerized study of San Francisco's budget. Using line item actual expenditures from the last three years' budgets and the actuals from the first quarter of this current budget, Lumer hopes to project what next year's figures would have looked like if Proposition 13 had not passed and to identify percentage changes in various departments. This information could be used to analyze where gradual service and program cuts and expansions have been occurring, perhaps going unnoticed by both the public and city hall. We have contacted Carl Orne, Associate Dean of the School of Business and Economics at Hayward State, who indicated a definite interest in sending a student intern to help with the study.

Attrition Study

Lumer also will be helping us to establish a process for studying the attrition rate among city employees, with possible questionnaires to all city departments and follow-up research on positions being left vacant due to Proposition 13. The attrition study will be a major part of the second phase of this project.

We know that as of September 1, of the 19,900 permanent civil service employees, 643 received layoff notices, and of those, 209 were rehired into other city jobs and 20 others were on a rehire list. The Civil Service Commission says it does not maintain statistics on the number of unfilled positions. And we know that between May and August of this year there were 625 retirements. "We're doing one year's work in a few months," said Jim Camarda, management assistant of the Retirement System. The System itself, with about 80 budgeted positions, lost four of its staff to retirement in those months for a total of seven unfilled positions.



The only way to get information on unfilled positions, it appears, is to poll the departments one by one. Obviously, the figures may change from week to week. San Francisco General Hospital, under the Public Health Department, lost 73 of its staff between June 6 and August 4; by September 6, it had lost 103.

Data is sometimes misleading. On October 6, a Chronicle article on "The First 100 Days of Proposition 13" reported that the state Employment Development Department put the statewide number of local government and school employees laid off because of Proposition 13 at 21,965. But 13,000 of those are school employees, and many have been rehired since school began. (The statistics were gathered as of August 25.) We had access to the same information as the Chronicle reporter. However, late in September, Fred Burdue of our staff made a call to the San Francisco Unified School District and found that while the number of San Francisco school employees laid off as of August 25 was 2,341, only 750 were not rehired, and many of those are on the rehire list. The same is probably true throughout the state, making the 21,965 a gross exaggeration. The correct figures are bad enough. In addition, many school employees are "laid off" every summer and collect unemployment insurance since they are not assured of employment in the fall.

Local Contacts

- On the local level, we met recently with Louise Billotti of the Coalition for Full Employment to discuss her group's October 20 public hearing/conference and her need to develop a press packet for participants. We've made available to them our preliminary attrition research and the findings of this study as general background on the financial condition of San Francisco, post-Proposition 13.
- We've begun preliminary discussions with Kathy Gillespie of San Francisco Neighborhood Legal Assistance Foundation on the subject of health care cutbacks. The Foundation needs assistance in analyzing Health Department budgets to determine whether San Francisco is meeting the statutory requirement (SB 2212) that cutbacks not be



- disproportionate to reductions in property tax revenues. Marc Lumer is also helping SNLAF with its investigation.
- The Muni Coalition contacted us to get a better overall picture of how the budget process is changing and how those changes might affect their efforts to maintain and improve public transportation in the city. We offered to send the Coalition a copy of this study and to set a time to meet with a representative of the group.
 - A meeting also is planned with Herman Alcalde, program development coordinator for the Yerba Buena Convention Center from CAO Roger Boas' office, who wants information on our study and would also like to volunteer some time helping us with subsequent research.
 - Marjorie Fishman, coordinator of this project, is attending a 19-week course in "Public Budgeting and Finance" offered through the Community College District. Taught by Virgil Elliott, former director of the Department of Finance and Records, this very comprehensive course will analyze and evaluate all kinds of budget systems and consider in depth property tax alternatives, fees and charges, consumer taxes, and the idea of eliminating locally-collected taxes.

State Contacts

- The League of California Cities in Sacramento has just completed a survey for the Post Commission of fees and service charges that might offset the effects of Proposition 13. The results of the survey will be mailed to us, and we will relate the League's findings in our next report. We also requested a copy of the League's resolutions from its annual conference, held at the end of September. One resolution that came out of that conference supported the idea of a 1¢ add-on to the sales tax which would increase cities' revenues by about one billion dollars statewide.
- "Cuts due to Proposition 13 will be cushioned by state surpluses for the next 10 years," predicted Dean Tipps, lobbyist for California Tax Reform Association, at a September 13 seminar sponsored by the Foundation for National Progress. Tipps believes that next year's state surplus may reach \$7.7 billion if it continues to accrue at the present rate. He could not project how the largess would be distributed, but he insists that "The surplus is the enemy of tax reform" and will



mask the "gradual accumulation of invisible crises" of Proposition 13. There will be a dramatic shift, he says, in who pays for services--renters will get stuck with user fees and end up paying more to support services, while upper income property owners will pay less because of tax shelters and loopholes.

Summary and Conclusions

San Francisco is in a transitional period, mid-way between the dire predictions that immediately followed the passage of Proposition 13 and a flurry of precautionary measures aimed at making sure that what didn't happen this year also won't happen next year. Early fears were unfounded, no massive cutbacks or layoffs occurred, there is no immediate disaster. Yet many unglamorous issues and services may slip away when fiscal prudence becomes the rule of thumb, as it seems it will by next year.

We have attempted to examine the politics as well as the practical side of San Francisco's current situation. As the budget process changes and shifts toward that fiscal prudence, citizens will need to keep demanding their right to be involved in budget decisions. The mayor seems committed to upholding that right, and a few of the supervisors also seem willing to include and encourage public participation.

The Study Center is preparing to put together material for a special News Letter report on the effects of Proposition 13 on San Francisco. A good portion of this project report will be incorporated into it, along with research and analyses done by other staff of the Study Center.

Report prepared and researched by Marjorie Fishman



STUDY CENTER recommendations re opening the budget process...

TIME LINE-ACTION PLAN

1. Preferably before August 25, absolutely before Sept. 1

Meeting: A representative of identified, organized coalitions/interest groups meets with Ray Sullivan, Mayor's Sr. Program Manager, to make specific recommendations or to give concise suggestions about the budget instructions that are to go out to department heads sometime around September 1.

Background: Sullivan has met formally and informally with dept. heads, budget people, controller, etc. to determine how these instructions should read... Sullivan seems to have almost ultimate responsibility for the preparation and contents of these instructions... The instructions will set the limits of next year's budget, based on info he's gathered, and may or may not instruct department heads on how to accomplish cuts... Sullivan says no groups or community people have contacted him about these instructions... ("You're the only one," he told me.)

The representative and the agenda: Sullivan says he's willing to sit down and talk with someone, by appointment, about specific ideas for percentage cuts, etc., but he doesn't want it to be someone with an ax to grind, with a single program a group wants kept or reinstated. He wants it to be someone with an overview who can give him real help in making the decisions...

Contact: Sullivan asked that I (Marjorie) make the appointment for this representative. NB: Sullivan is a good source of information about what's happening. We have to be careful not to overuse him...

2. Early September

Meeting: With mayor, with CAO Boas re holding public



-2-

meetings, hearings, budget reviews (what they're called may be important in getting people interested in them), for each major department (all departments?) before the department heads turn in their budget requests to the CAO or their commissions...

Background: Department heads submit their budgets on forms provided by the controller. These "work sheets" could be examined easily by the public, perhaps by a newspaper notice of where the sheets are in each department... The work sheets should be accessible before the hearings....

Departments could provide xeroxed copies...

Research: Need to find out when departments expect to have work sheets completed, when they have to have them to the CAO or their commissions.

3. Departmental Public Hearings

Dates uncertain at this point, probably October-November... Depends on research (see above) and directives from CAO & commissions...

4. Solid dates for budget submission for this year only:

Budget to the Controller by January 15
From controller to the mayor by February 15
From the mayor to the Supervisors by April 1

(Effective July 1, 1979, these dates change to November 15, December 15, and March 1)

5. Budgets need to be monitored all along the above route.

6. We need a clear document, perhaps like a proposal, to present to the mayor and CAO, explaining why the budget process needs to be opened, how it should be done, why especially this year.

The Supervisors should be lobbied too, since they would probably have to pass some kind of ordinance to make these hearings official. The resolution could come through the mayor...

SAVE OUR SERVICES COALITION
1550 Bryant St.
San Francisco CA. 94103
626-9960

30 August 1978

The Honorable George Moscone
Mayor's Office
City Hall
San Francisco, CA.

Dear Mr. Mayor:

After the passage of Prop 13 a coalition of neighborhood, labor, community, church and other organizations was formed to enable progressive groups in San Francisco to keep from being pitted against each other in the difficult months to come, and to begin working eventually towards a fair city and state fiscal structure.

This group - the Save Our Services Coalition - mobilized support for the \$30 million revenue package first passed, and then tragically repealed, by the Board of Supervisors.

In the months to come the City Budget proposals for FY 79-80 promise to be the focus of much attention. To help assure the best possible outcome Save Our Services would like to meet with yourself, at a mutually convenient time, to seek your support around procedures and policies regarding the budget process now beginning.

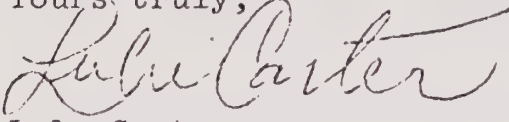
Among the positions Save Our Services feels are important are these:

- 1) That departments should make all "work sheets" and other budget documents easily available to the public during all phases of budget preparation;
- 2) That the departments should hold public meetings on their budget proposals - if requested to do so by community groups - before submitting these to the next step up the chain;
- 3) That procedures and dates for mayoral budget hearings be set at an early time; and that these be affirmatively publicized.
- 4) That departments give priority to budget cuts that do not impair the quality or quantity of direct public services.

A wide range of community groups are currently discussing specific suggestions around these and other budget matters. We will, of course, forward any additional requests to you well prior to our meeting. We feel a meeting of some twenty minutes should be sufficient; we propose a meeting during the week of September 11th, if possible.

We know that you, as ourselves, wish to maximize serious citizen involvement in the budget decisions of the months to come. We hope that this first meeting can begin moving in that direction.

Yours truly,



Lulu Carter



Eileen Jackson
Co-Chairpersons, Save Our Services

encl.

cc: Roger Boas
Rudy Nothenberg
Bill Cook
James Farrell

LC/EJ/rh

QUESTIONS FOR THE RECREATION AND PARK COMMISSION

- 1) DOES ANYONE ON THE COMMISSION OR THE AQUATICS STAFF SWIM REGULARLY IN THE PUBLIC POOLS?
- 2) WHAT ARE THE COMMISSION'S PRIORITIES? HOW ARE DECISIONS MADE AS TO WHETHER ONE PROGRAM IS MORE IMPORTANT THAN ANOTHER?
- 3) SINCE ONE OF THE DIFFICULTIES WE'VE HAD IN WORKING TO HELP THE POOLS IS THE LACK OF CONCRETE, COMPREHENSIVE FIGURES ON EXACTLY HOW MUCH POOL OPERATION COSTS, ARE THERE IMMINENT PLANS TO COMPUTE THESE COSTS AND MAKE THEM AVAILABLE TO THE PUBLIC?
- 4) WHY ARE PART-TIME WORKERS BEING SO PARTICULARLY THREATENED? WHAT OTHER PROGRAM OR STAFF CUTS HAVE BEEN MADE?
- 5) WHAT EFFORTS HAVE YOU MADE, AS A COMMISSION, TO BRING IN FEDERAL AND PRIVATE MONIES TO MAINTAIN RECREATION AND PARK PROGRAMS?
- 6) IN AS MUCH AS THE MONIES NOW BEING REQUESTED FROM THE BOARD OF SUPERVISORS WILL ONLY GO TOWARD STAFF SALARIES, ARE YOU PLANNING TO ASK FOR ADDITIONAL FUNDING TO BE USED FOR THE NECESSARY MAINTENANCE OF PHYSICAL POOL PLANTS?
- 7) DO YOU FEEL THAT ANY INCREASE IN POOL ADMISSIONS SHOULD GO TOWARD THE UPKEEP OF THE POOLS AND NOT, AS IS NOW THE CASE, GO INTO THE CITY'S GENERAL FUND?
- 8) WHAT EFFORT HAS THE COMMISSION MADE IN THE PAST TO PUBLICIZE POOL INSTRUCTIONAL AND RECREATIONAL PROGRAMS? FURTHER, IN AS MUCH AS THE FEE INCREASE IS BEING PROPOSED TO GENERATE INCOME, HOW DO YOU KNOW THAT THE RISE IN ADMISSIONS WILL NOT RESULT IN REDUCED ATTENDANCE, THUS UNDERMINING ANY POTENTIAL ECONOMIC GAINS?
- 9) HOW CAN THE SWIMMING COMMUNITY BETTER ASSIST YOU AND HAVE MORE REGULAR INPUT ON DECISIONS MADE ON THEIR BEHALF?

We represent a group of organizations doing research and organizing on the impacts of Proposition 13. During the past several weeks, we've already begun to feel the measure's impact in the form of threatened services, layoffs, and the internal decay of resignations and early retirement. But we are all beginning to realize that Proposition 13 means more than a change in services. It's going to bring big changes in the way local government works - changes that may make city government less accountable to its citizens. Some reasons why:

1) The city is still technically in the "state of emergency" declared by the Mayor and approved by the Board of Supervisors immediately after the election. This emergency ordinance gives the Mayor and the Board sweeping powers over salary standardization, hiring, and the setting of next year's budget.

2) With the state buyout of programs, many decisions about how funds are allocated will shift to the state level. Some local budget officers predict that within three years the Board of Supervisors may have direct control over the expenditure of only 10 percent of local funds.

3) The property tax rate used to be a flexible factor in local politics. Citizens who wanted more or fewer services lobbied for a high or low rate. Now, we know our limits from the start of the process, and there will be less flexibility in budgeting.

Obviously, Proposition 13 presents some opportunities too. Citizens need to provide local government with clear directives on providing services efficiently and well. As difficult decisions have to be made about cutting a shrinking pie, citizen participation in next year's budget process become critical.

To ensure greater citizen input into the budget process, we recommend the following:

1) In his instructions to department heads for next year's budgets (currently being prepared) the Mayor should:

a) order that cuts be spread across the board as much as possible, so that no one department, service or field bears the brunt of cuts;

b) wherever possible, cuts should not be made on direct ^{capital} service provision, but on management and administration. We ^{expenditures} realize that strong management can improve a department's delivery of services. But departments with high administrative costs should be prepared to defend the cost-effectiveness of management expenditures.

c) require that all city departments under commission hold public hearings to hear citizen testimony on proposed budgets before those budgets are submitted to the Controller for review (January 15).

These hearings should:

- *brief citizens on proposed service changes in the departments
- *brief citizens on the department's sources of revenues and plans for expenditures
- *allow ample time for public testimony on departmental policies and priorities

d) require all city departments to make their budget worksheets public before they are submitted to the Controller. Copies of the worksheets should be distributed to the city's branch libraries for convenient citizen access.

2) The Chief Administrative officer should direct the departments under his jurisdiction to hold similar budget review hearings, and to make budget worksheets available for review.

3) The Mayor is currently working with an informal committee to design a survey of department heads to determine how city government can work more efficiently. The mayor should appoint one or more neighborhood activists to that committee, and should make the final survey design public.

4) In addition to surveying department heads, the Mayor and the Board of Supervisors should provide opportunities for citizens and city workers to express their views on the efficiency of city government. The survey advisory committee, if its membership is expanded, could serve as an ongoing advisory group to solicit and receive public input. The Mayor and the Board should schedule early budget hearings for this kind of testimony also.

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These findings should:

1) be used as a basis for developing a long-range plan for the city's future.

2) be used as a basis for developing a short-range plan for the city's future.

3) be used as a basis for developing a medium-range plan for the city's future.

4) be used as a basis for developing a long-range plan for the city's future.

5) be used as a basis for developing a short-range plan for the city's future.

6) be used as a basis for developing a medium-range plan for the city's future.

7) be used as a basis for developing a long-range plan for the city's future.

8) be used as a basis for developing a short-range plan for the city's future.

9) be used as a basis for developing a medium-range plan for the city's future.

10) be used as a basis for developing a long-range plan for the city's future.

11) be used as a basis for developing a short-range plan for the city's future.

12) be used as a basis for developing a medium-range plan for the city's future.

13) be used as a basis for developing a long-range plan for the city's future.

14) be used as a basis for developing a short-range plan for the city's future.

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25) be used as a basis for developing a long-range plan for the city's future.

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